



# INDEX OF INDUSTRIAL PRODUCTION

DEPARTMENT OF CENSUS AND STATISTICS – SRI LANKA

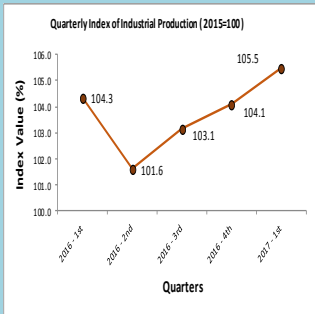
MINISTRY OF NATIONAL POLICIES AND ECONOMIC AFFAIRS

ISSUE NO. 05 1<sup>ST</sup> QUARTER 2017

ISSN 2513 - 2857

## Highlights

Figure 1: Quarterly Trend of IIP



## Inside

Introduction	1
Uses of the IIP	1
IIP for the 1 <sup>st</sup> quarter 2017	1
Month to month % changes of IIP	1
Month to month % change of IIP by Industry Divisions	2
Quarterly trend of IIP by industry divisions	3
Year on Year % changes of IIP by Industry Division	4

## Introduction

The Index of Industrial Production (IIP) is an abstract number, the magnitude of which represent the status of production in the industrial sector for a given period of time. The IIP describes changes of the volume of goods and services produced over time. Its main purpose is to provide a measure of the short-term changes in the volume of industrial production from the

## Uses of the IIP

The IIP is a key indicator of economic performance in most countries. Index numbers summarize past developments, facilitate forecasting of future trends and assist with evidence based policy decisions. In addition, index numbers facilitate

manufacturing sector in the country. The IIP provides information to gauge industrial performance and to forecast the future economic performance. It can be used to identify the turning points in economic development at an early stage. The major advantage of the production index compared to other indicators is the combination of fast availability and detailed breakdown of activities.

international comparisons. The IIP also has, an important role in the compilation of the Quarterly National Accounts. Analysis of economic changes, IIP has a crucial role because industrial production is one of the more dynamic and fluctuating element in the economy.

Table 1: IIP for the 1<sup>st</sup> quarter 2017

Month & Year	IIP* (2015=100)
January 2017	103.8
February 2017	103.1
March 2017	109.5
<b>2017 1<sup>st</sup> Quarter</b>	<b>105.5</b>

\* Provisional

Among the manufacturing industries; Volume of products of 'Other non-metallic mineral products' (21.5%), 'Wearing apparels' (5.9%) and 'Food product' (5.8%) have shown remarkable increases in productions during the month of March, 2017 compared to that of March, 2016 'Coke and refined petroleum products' (17.3%), 'Wood and products of wood' (16.5%) and 'Chemical and Chemical products' (15.1%) reported decreases during this period.

Table 2: Month to month % changes of the IIP (2015=100)

Description	IIP				Month to month % Change		
	2016 <sup>R</sup>	2017 <sup>P</sup>			Dec 16/ Jan 17	Jan 17/ Feb 17	Feb 17/ Mar 17
	Dec	Jan	Feb	Mar			
Manufacturing Sector	103.3	103.8	103.1	109.5	0.5	-0.7	6.1

R - Revised P - Provisional



### Historical background

The Index of Industrial Production (IIP) has traditionally been used to provide insight in to short-term changes in economic activity. The compilation of such indices dates back to at least the 1920's.

The United Nations has a long history of collecting and publishing industrial statistics and related information. The index numbers of industrial production is one of the most well known of these statistics.

The collection of these index numbers started in the 1950's following the recommendations of the Statistical Commission at its 5<sup>th</sup> Session in 1950 which outlined the methods to be used in compiling index numbers of industrial production.

#### source:

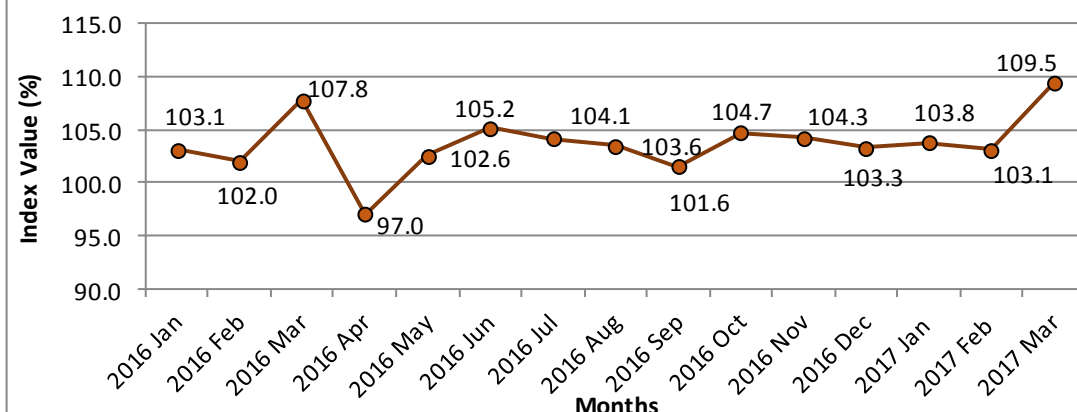
The latest revision of the International Recommendations for the Index of Industrial Production-2010

United Nations  
Statistics Division

#### Vision of DCS

“To be the leader in the region in producing timely statistical information to achieve the country's development goals.”

**Figure2: Index of Industrial Production (IIP) 2016 January - 2017 March**



**Table 3: Month to month % changes of the IIP by Industry Division (2015=100)**

ISIC 2digit	Description	IIP		Month to month % Change Feb 2017/ Mar 2017
		2017 February <sup>P</sup>	2017 March <sup>P</sup>	
10	Food products	102.5	108.5	5.8
11	Beverages	93.1	100.2	7.6
12	Tobacco products	95.6	100.5	5.2
13	Manufacture of Textiles	93.5	115.7	23.7
14	Manufacture of wearing Apparels	110.6	112.6	1.9
15	Manufacture of leather and related products	100.4	103.1	2.7
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	87.0	88.3	1.5
17	Manufacture of paper and paper products	104.3	111.8	7.2
18	Printing and reproduction of recorded media	106.5	108.5	1.8
19	Manufacture of coke and refined petroleum products	89.1	93.0	4.3
20	Manufacture of chemicals & chemical products	102.3	107.2	4.8
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	103.5	105.4	1.9
22	Manufacture of rubber & plastic products	100.1	112.0	11.9
23	Manufacture of other non-metallic mineral products	109.9	121.1	10.3
24	Manufacture of basic metals	118.2	108.2	-8.5
25	Manufacture of fabricated metal products ( except machinery equipment )	90.0	113.4	26.0
26-27	Manufacture of electrical equipment	102.9	120.5	17.2
28	Manufacture of Machinery & equipment (n.e.c.)	103.0	112.0	8.7
31	Manufacture of furniture	114.5	115.7	1.0
29-30-32-33	Other manufacturing	101.5	113.1	11.4
<b>Overall Index for the Manufacturing Sector</b>		<b>103.1</b>	<b>109.5</b>	<b>6.1</b>

P - Provisional

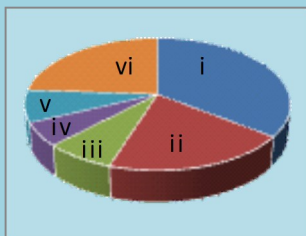
**Highlights****Manufacturing Sector  
Weights (ASI 2015)**

Figure3: Weighting Diagram

- i. Manufacture of food products (35.2%)
- ii. Manufacture of Wearing Apparels (19.8%)
- iii. Manufacture of other non metallic mineral products (7.8%)
- iv. Manufacture of Coke and refined petroleum products (7.4%)
- v. Manufacture of Rubber and Plastic products (5.7%)
- vi. Other Products

**Mission of DCS**

“ Making contribution in the socioeconomic development of the country by providing accurate timely statistics, more effectively by means of new technology, and utilizing the services of dedicated staff under a strategic leadership to become a prosperous nation in the globalized environment ”

**Table 4: Quarterly trend of IIP by industry divisions (2015=100)**

ISIC 2digit	Description	Year 2016 <sup>R</sup>				Year 2017 <sup>P</sup>
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
10	Food products	101.5	102.5	101.9	101.0	104.6
11	Beverages	100.1	100.2	104.3	110.0	98.2
12	Tobacco products	103.6	102.4	114.5	100.0	100.9
13	Manufacture of Textiles	102.3	102.9	106.1	104.7	104.1
14	Manufacture of wearing Apparels	106.5	106.0	103.8	106.4	111.1
15	Manufacture of leather and related products	101.3	101.1	107.4	114.3	101.3
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	100.6	100.3	99.1	96.5	89.5
17	Manufacture of paper and paper products	119.4	102.3	103.9	118.3	106.2
18	Printing and reproduction of recorded media	99.8	103.4	100.2	111.0	106.8
19	Manufacture of coke and refined petroleum products	113.3	91.5	99.8	91.8	86.9
20	Manufacture of chemicals & chemical products	120.7	96.8	99.9	99.2	102.2
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	101.0	95.4	124.6	115.4	103.3
22	Manufacture of rubber & plastic products	104.8	101.6	104.0	104.2	104.3
23	Manufacture of other non-metallic mineral products	94.8	102.3	105.2	116.4	117.0
24	Manufacture of basic metals	106.8	102.3	110.0	113.4	114.4
25	Manufacture of fabricated metal products	102.2	88.7	103.1	103.0	100.8
26-27	Manufacture of electrical equipment	101.3	100.7	93.0	97.7	108.8
28	Manufacture of Machinery & equipment	101.8	104.6	111.1	109.2	105.4
31	Manufacture of furniture	109.9	82.2	121.6	121.5	115.0
29-30-32-33	Other manufacturing	107.3	99.4	98.4	102.7	104.9
<b>Overall Index for the Manufacturing Sector</b>		<b>104.3</b>	<b>101.6</b>	<b>103.1</b>	<b>104.1</b>	<b>105.5</b>

R - Revised; P - Provisional

The industrial production of the manufacturing sector for the first quarter of 2017 has increased by 1.1% compared to the same quarter in 2016.

Among the manufacturing industries; Volume of products of ‘Other non-metallic mineral products’ (23.5%), has shown remarkable increase in productions during the 1<sup>st</sup> Quarter of 2017, compared to 1<sup>st</sup> Quarter of 2016 and ‘Coke and refined petroleum products’ (23.3%), reported decreases during this period.

Table 5 : Year on Year % changes of IIP by industry divisions (2015=100)

ISIC 2digit	Description	2016 Jan <sup>R</sup>	2017 Jan <sup>P</sup>	Year on Year % Change	2016 Feb <sup>R</sup>	2017 Feb <sup>P</sup>	Year on Year % Change	2016 Mar <sup>R</sup>	2017 Mar <sup>P</sup>	Year on Year % Change
10	Food products	101.1	102.7	1.6	101.0	102.5	1.5	102.6	108.5	5.8
11	Beverages	91.3	101.3	11.0	94.8	93.1	-1.8	114.1	100.2	-12.2
12	Tobacco products	97.5	106.5	9.2	101.6	95.6	-6.0	111.8	100.5	-10.1
13	Manufacture of Textiles	102.5	103.2	0.7	90.3	93.5	3.6	114.0	115.7	1.4
14	Manufacture of wearing Apparels	105.8	110.2	4.1	107.3	110.6	3.1	106.4	112.6	5.9
15	Manufacture of leather and related products	100.3	100.4	0.1	100.7	100.4	-0.3	102.7	103.1	0.4
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	93.8	93.2	-0.6	102.3	87.0	-15.0	105.7	88.3	-16.5
17	Manufacture of paper and paper products	107.5	102.5	-4.7	119.7	104.3	-12.8	131.0	111.8	-14.6
18	Printing and reproduction of recorded media	100.3	105.5	5.2	96.5	106.5	10.4	102.6	108.5	5.7
19	Manufacture of coke and refined petroleum products	122.9	78.7	-36.0	104.6	89.1	-14.8	112.3	93.0	-17.3
20	Manufacture of chemicals & chemical products	120.4	97.1	-19.3	115.5	102.3	-11.4	126.3	107.2	-15.1
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	98.3	101.0	2.7	102.9	103.5	0.6	101.9	105.4	3.4
22	Manufacture of rubber & plastic products	92.7	100.7	8.6	105.0	100.1	-4.7	116.6	112.0	-3.9
23	Manufacture of other non-metallic mineral products	95.4	120.1	25.9	89.2	109.9	23.1	99.7	121.1	21.5
24	Manufacture of basic metals	107.7	116.8	8.4	104.8	118.2	12.8	107.9	108.2	0.3
25	Manufacture of fabricated metal products	97.4	99.0	1.7	96.1	90.0	-6.3	113.1	113.4	0.3
26-27	Manufacture of electrical equipment	90.9	103.1	13.4	93.8	102.9	9.6	119.0	120.5	1.3
28	Manufacture of Machinery & equipment	94.1	101.3	7.7	101.1	103.0	1.9	110.1	112.0	1.7
31	Manufacture of furniture	111.0	114.8	3.5	105.9	114.5	8.1	112.8	115.7	2.6
29-30-32-33	Other manufacturing	105.6	100.0	-5.3	106.1	101.5	-4.3	110.1	113.1	2.7
<b>Overall Index for the Manufacturing Sector</b>		<b>103.1</b>	<b>103.8</b>	<b>0.7</b>	<b>102.0</b>	<b>103.1</b>	<b>1.1</b>	<b>107.8</b>	<b>109.5</b>	<b>1.5</b>

R - Revised; P - Provisional